

State of Georgia

Project IMPROVE
Department of Human Services
Accounts payable process



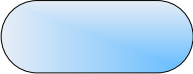
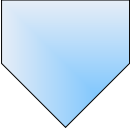

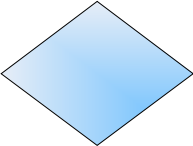
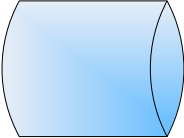
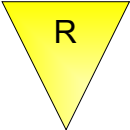

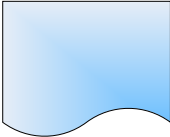
State of Georgia

Process: Department of Human Services Accounts Payable

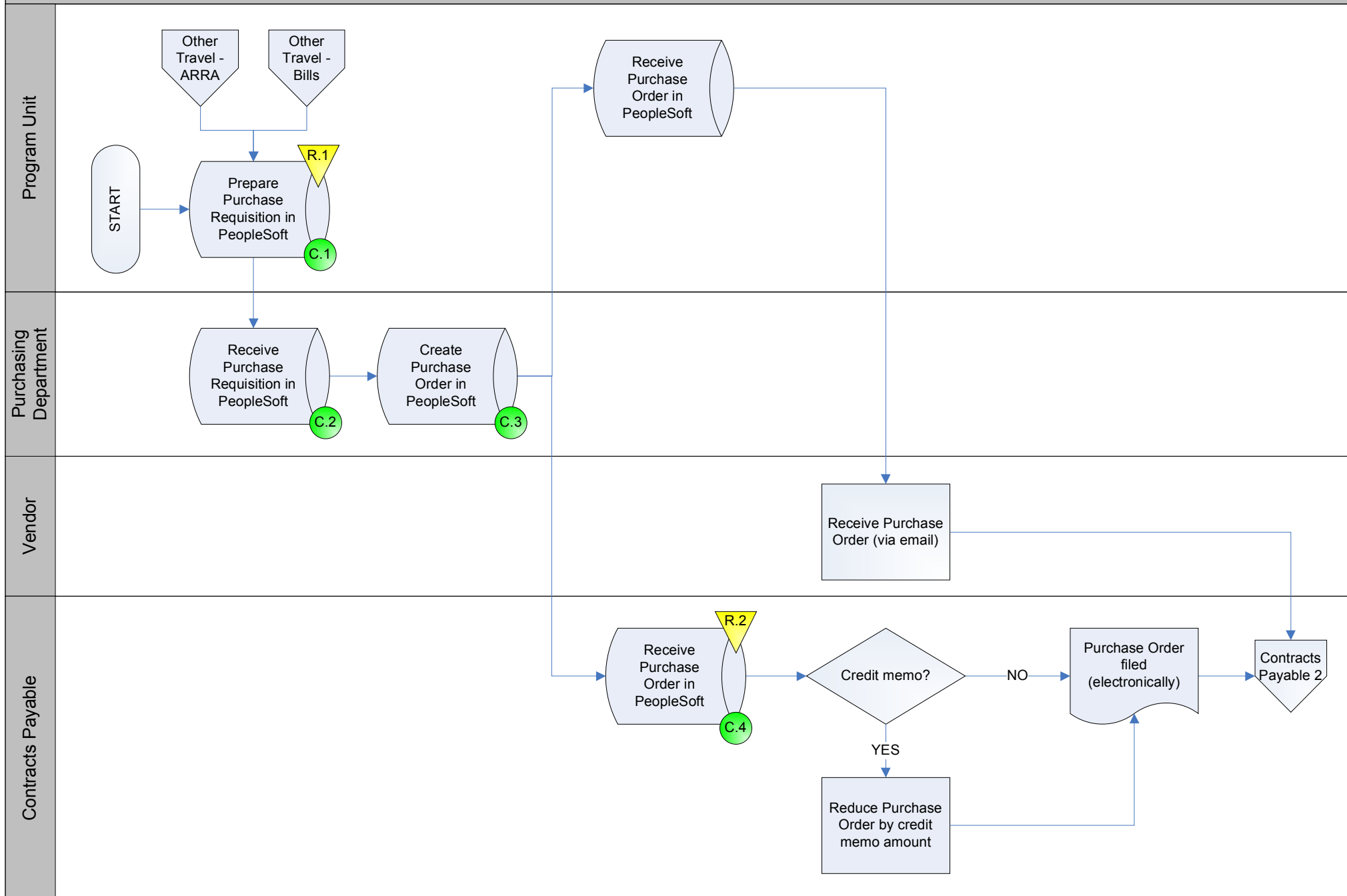
Summary

Scope	<ul style="list-style-type: none"> The Department of Human Service's output of payments are made through PeopleSoft. Payments are made for contracts, utilities, miscellaneous payments, grants, and travel. Grant expenditures are entered into the Uniform Accounting System (UAS) by the Regional Accounting Offices (RAO) and interfaced into PeopleSoft daily.
Sub-processes	<ul style="list-style-type: none"> Contracts Payable Miscellaneous & Utilities Grant-in-Aid Travel Output
Departments Involved	<ul style="list-style-type: none"> Output Contracts Payable Department Misc. & Utilities Department Grant-in-Aid Department Travel Department Revenue Department Budget Unit Purchasing Department Program Unit Regional Accounting Offices (RAO)
Systems	<ul style="list-style-type: none"> Uniform Accounting System (UAS) PeopleSoft

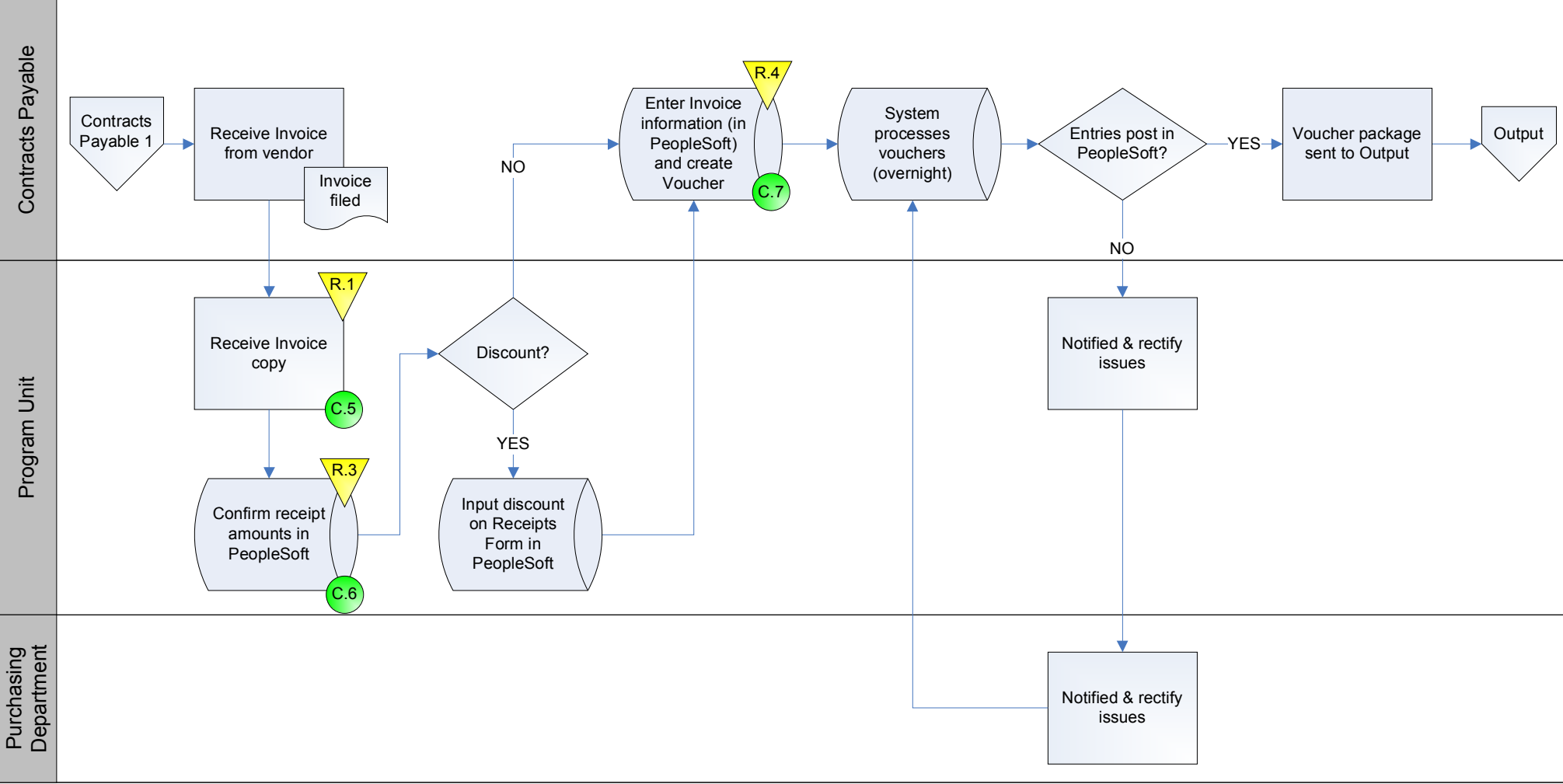
Process: DHS Accounts Payable
Legend

Symbols		Start/End of process		Off- page reference		Control
		Decision point		System interface		Risk
		Process		Document		
Acronyms	ACH – Automated Clearing House					
				OFS – Office of Financial Services		
	AP – Accounts Payable			RAO – Regional Accounting Office		
	ARRA – American Recovery and Reinvestment Act			SAO – State Accounting Office		
	DFCS – Division of Family and Children Services			UAS – Uniform Accounting System		
	MIER – Monthly Income Expense Report			USPS – United States Postal Service		

Process: Accounts Payable
Sub-process: Contracts Payable 1



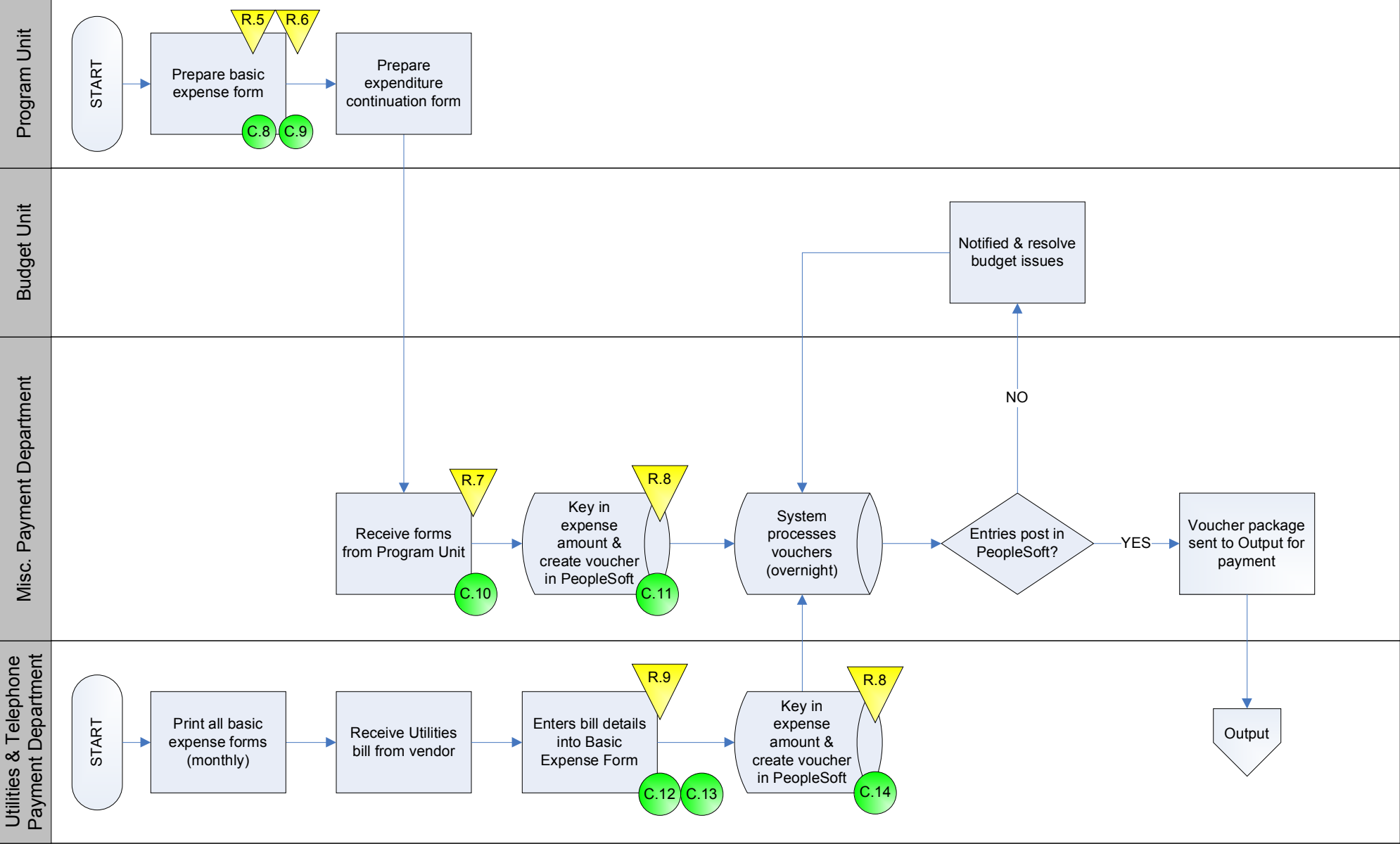
Process: Accounts Payable
Sub-Process: Contracts Payable 2



Process: Accounts Payable
Sub-process: Contracts Payable Risks and Controls

Risks	<p>R.1: Incorrect or unauthorized type or quantity of goods/services requested/received, resulting in inappropriate disbursement of funds</p> <p>R.2: Incorrect vendor details on Purchase Order, resulting in disbursement of funds to incorrect vendor</p> <p>R.3: Unauthorized changes made in PeopleSoft by Contracts Payable employees, result in inappropriate disbursement of funds</p> <p>R.4: Inappropriate or unapproved disbursements to vendors (including credit memos/discounts applied), resulting in loss of funds for the State</p>
Controls	<p>C.1: Program Manager reviews and approves Purchase Requisition to confirm the requested amount of goods/services is accurate</p> <p>C.2: Purchasing Department reviews Purchase Requisition in PeopleSoft to confirm the requested amount of goods/services is accurate prior to creating the Purchase Order</p> <p>C.3: Authorizing Purchasing Agent reviews and signs-off on Purchase Order (electronically in PeopleSoft) to confirm the vendor and the requested amount of goods/services are accurate</p> <p>C.4: Contracts Payable staff matches Purchase Order to original contract to note vendor codes/details are correct</p> <p>C.5: Program Unit employee will review/approve invoice for completeness/accuracy and confirm the receipt of goods/services</p> <p>C.6: PeopleSoft application controls prevent changes being made by Contracts Payable (only Program Unit can make changes to quantities received)</p> <p>C.7: Contracts Payable matches the Voucher to the Purchase Order, Invoice, and Receipt to confirm accuracy of information (Invoice number, quantity, payment amount, check name, method of payment, address, etc.)</p>

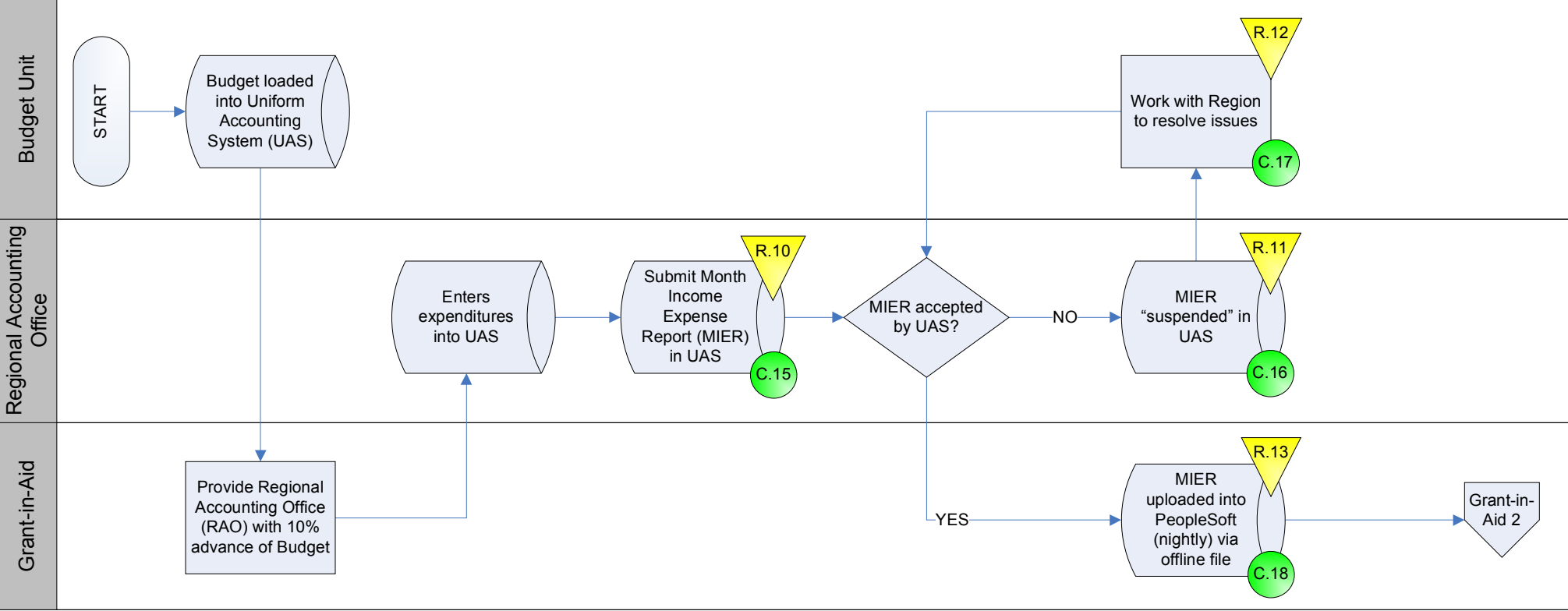
Process Name: Accounts Payable
Sub Process: Miscellaneous and Utilities Payable



Process: Accounts Payable
Sub-process: Miscellaneous and Utilities Payable

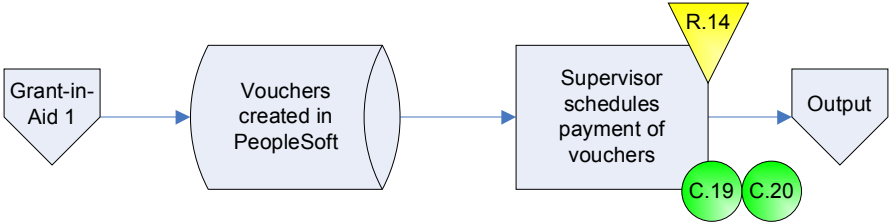
Risks	<p>R.5: Incorrect or unauthorized type or quantity of goods/services requested, resulting in inappropriate disbursement of funds</p> <p>R.6: Incorrect account codes applied, resulting in misclassification of expenditures and potential budget overruns</p> <p>R.7: Forms approved by unauthorized individuals, who are not on Approver List or do not have the authority to approve certain items on the Basic Expense Form, resulting in inappropriate disbursement of funds</p> <p>R.8: Voucher information does not match details on Invoice and Basic Expense Form, resulting in inappropriate disbursement of funds</p> <p>R.9: Incorrect bill information is entered into the Basic Expense Form, resulting in inappropriate disbursement of funds</p>
Controls	<p>C.8: Program Supervisor reviews and approves Basic Expense Form to confirm the requested amounts of goods/services are accurate</p> <p>C.9: Program Supervisor reviews and approves Basic Expense Form to note the correct account codes are used</p> <p>C.10: Misc. Payable employee reviews the signature authorization form of the approver on the shared drive, to confirm approval and authorization status</p> <p>C.11: Misc. Payable employee matches information on voucher to Invoice and Basic Expense Form to confirm information was correctly entered into PeopleSoft (vendor, amounts, address)</p> <p>C.12: Division Office (DFCS) reviews all coding used in the Basic Expense Form (annually) to confirm the account codes are correct</p> <p>C.13: Utilities Payable employee matches the utilities bill to the Basic Expense Form to confirm the accuracy of the information (account numbers) prior to entering the bill amount into the Basic Expense Form</p> <p>C.14: Utilities Payable Supervisor reviews the Voucher and matches the information to the Invoice and Basic Expense Form to confirm accurate payment to vendor</p>

Process: Accounts Payable
Sub-process: Grant-in-Aid 1



Process: Accounts Payable
Sub-process: Grant-in-Aid 2

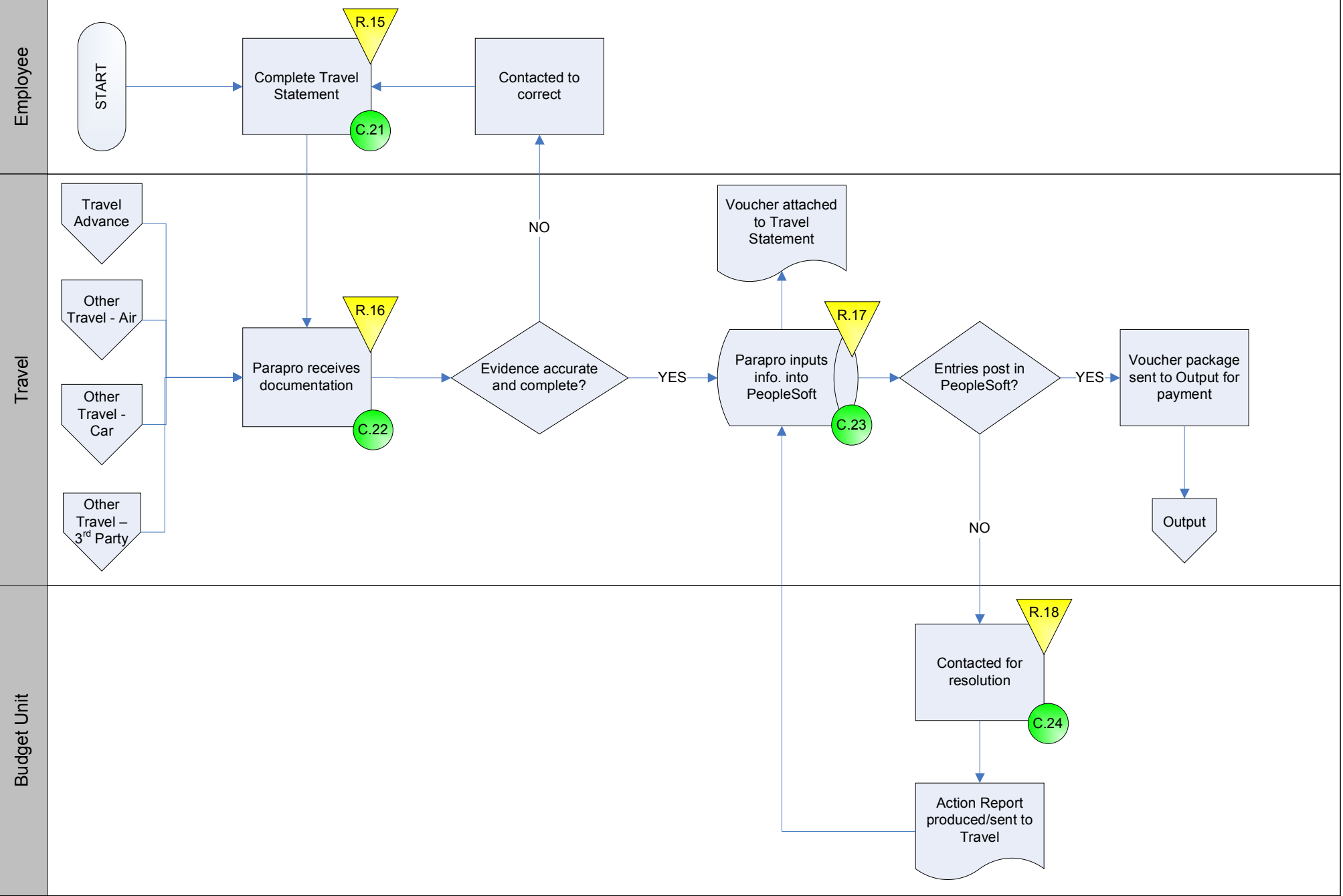
Grant-in-Aid



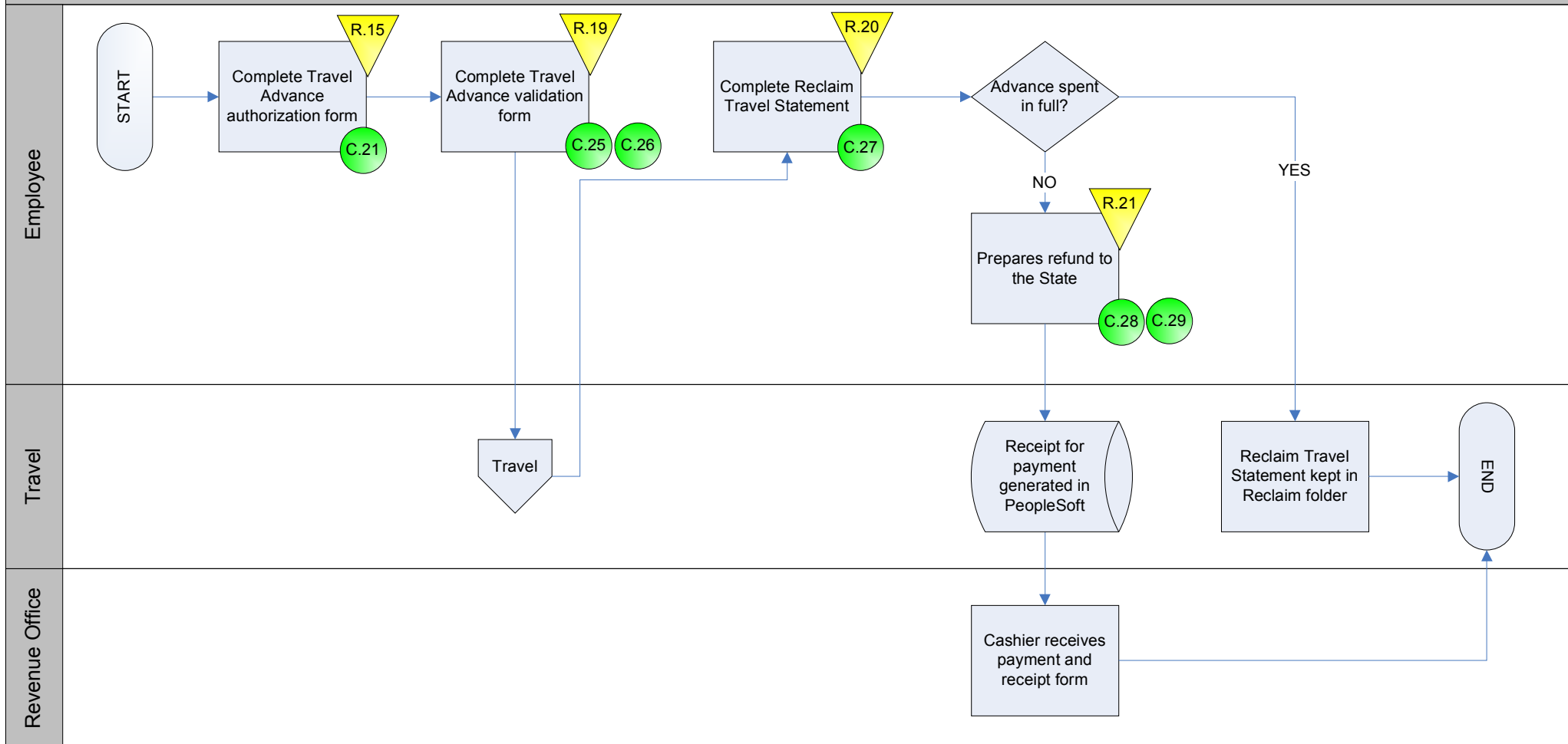
Process: Accounts Payable
Sub-process: Grant-in-Aid Risks and Controls

Risks	<p>R.10: Monthly Income Expense Report (MIER) expenditures are not in compliance with grant terms and conditions (due to lack of support/ details)</p> <p>R.11: Regional Accounting Office (RAO) receives funds in excess of initial budget resulting in shortage of Grant Funds</p> <p>R.12: Budget Unit is unable to fulfill the Regional County Office’s expenditure needs due to lack of funds</p> <p>R.13: Extraction or upload errors resulting in data corruption and inaccurate monthly expenditures in PeopleSoft</p> <p>R.14: PeopleSoft vouchers created from monthly expenditures are in excess of Grant-in-Aid’s monthly budget</p>
Controls	<p>C.15: RAO review/approve expenditures and supporting documentation prior to entering in UAS and submitting in to PeopleSoft for reimbursement</p> <p>C.16: UAS will not allow MIER expenditures to exceed initial Budget amount (total MIER will not be input into PeopleSoft)</p> <p>C.17: Division Budget Unit will keep a reserve amount of the Grant Budget on hand in case of budget issues/shortages</p> <p>C.18: Grant-in-Aid Supervisor confirms the MIER data from UAS was accurately transferred in an offline upload voucher file into PeopleSoft (daily)</p> <p>C.19: Vouchers posted in PeopleSoft are created with “hold” payment status, until the Grant-in-Aid Supervisor manually enters a payment date into the voucher to confirm funds are not used in excess of budget</p> <p>C.20: Grant-in-Aid Supervisor reviews unpaid vouchers by fund source (weekly) and identifies what vouchers to pay/hold in relation to the cash flow (state and federal funds) calculated on the Summary Spreadsheet</p>

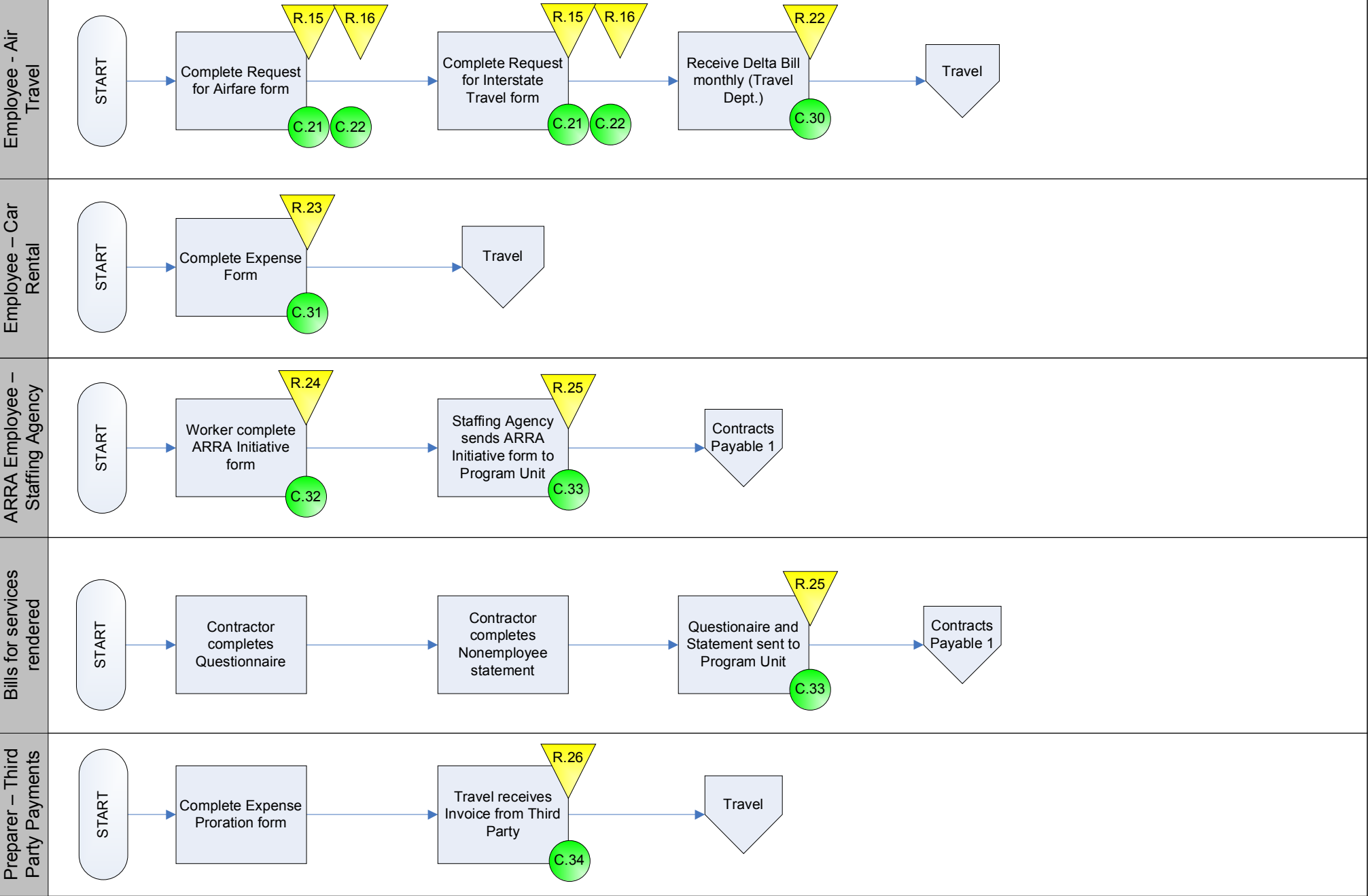
Process Name: Accounts Payable
Sub Process: Travel



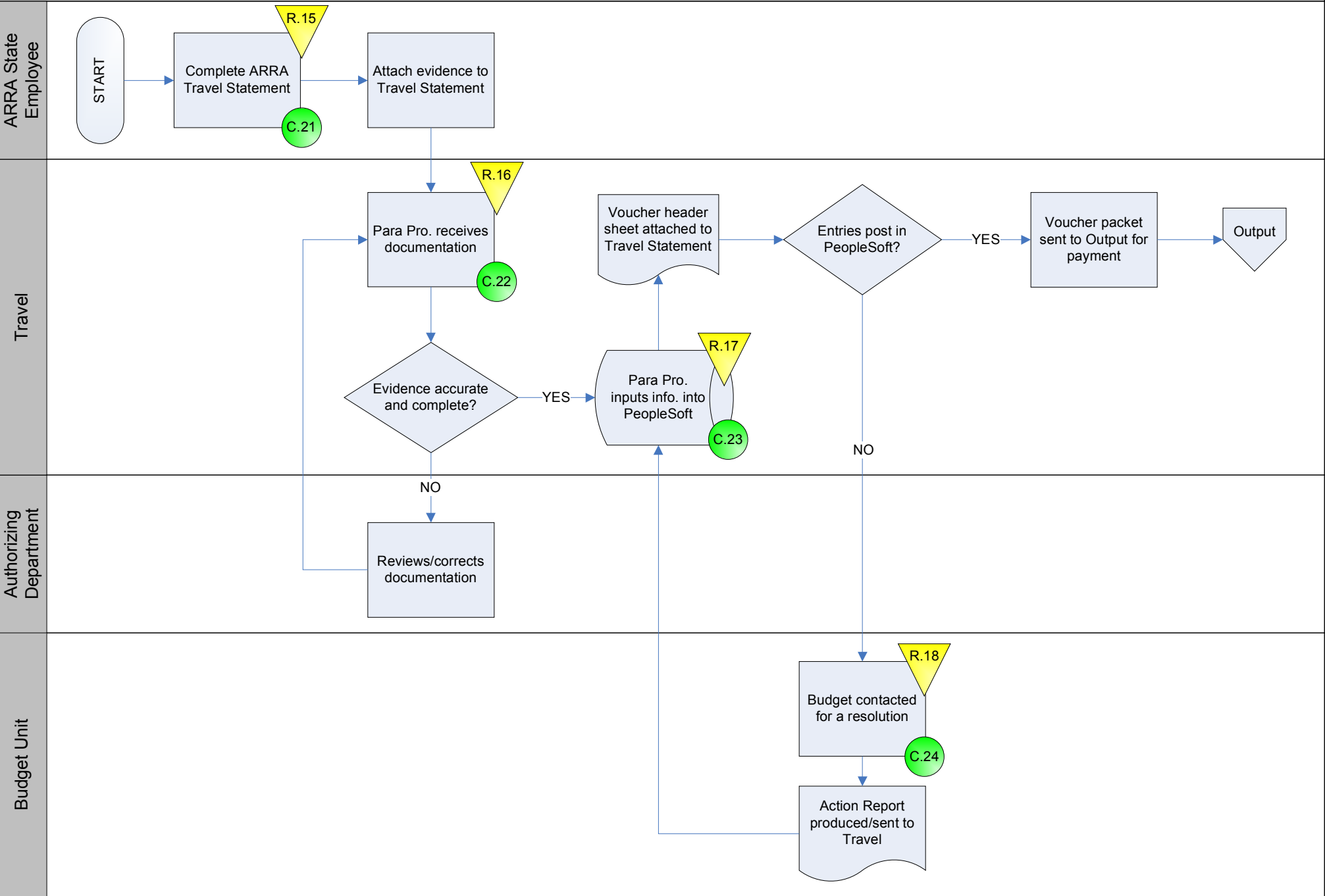
Process Name: Accounts Payable
Sub Process: Travel Advance



Process Name: Accounts Payable
Sub Process: Other Travel



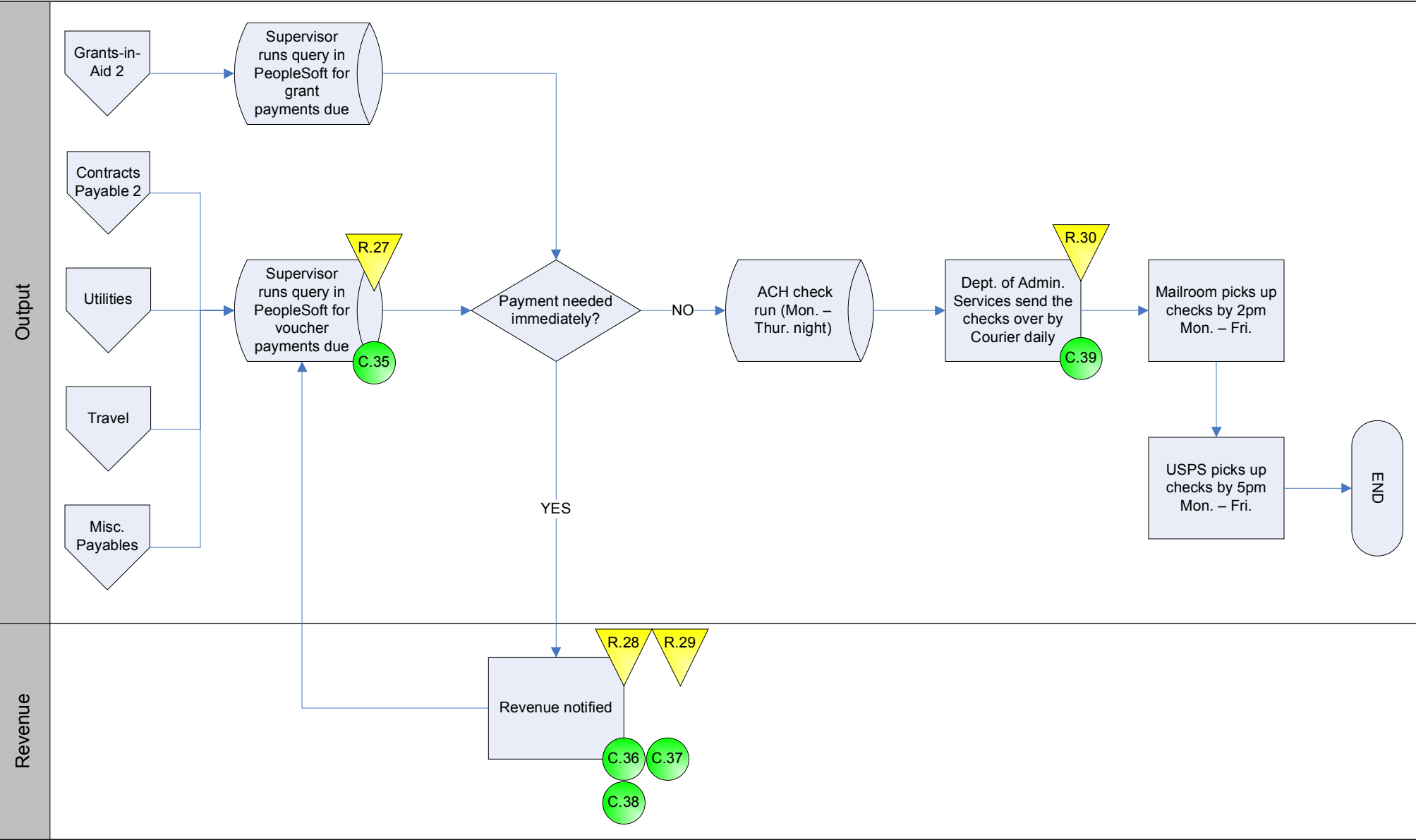
Process Name: Accounts Payable
Sub Process: ARRA Payments



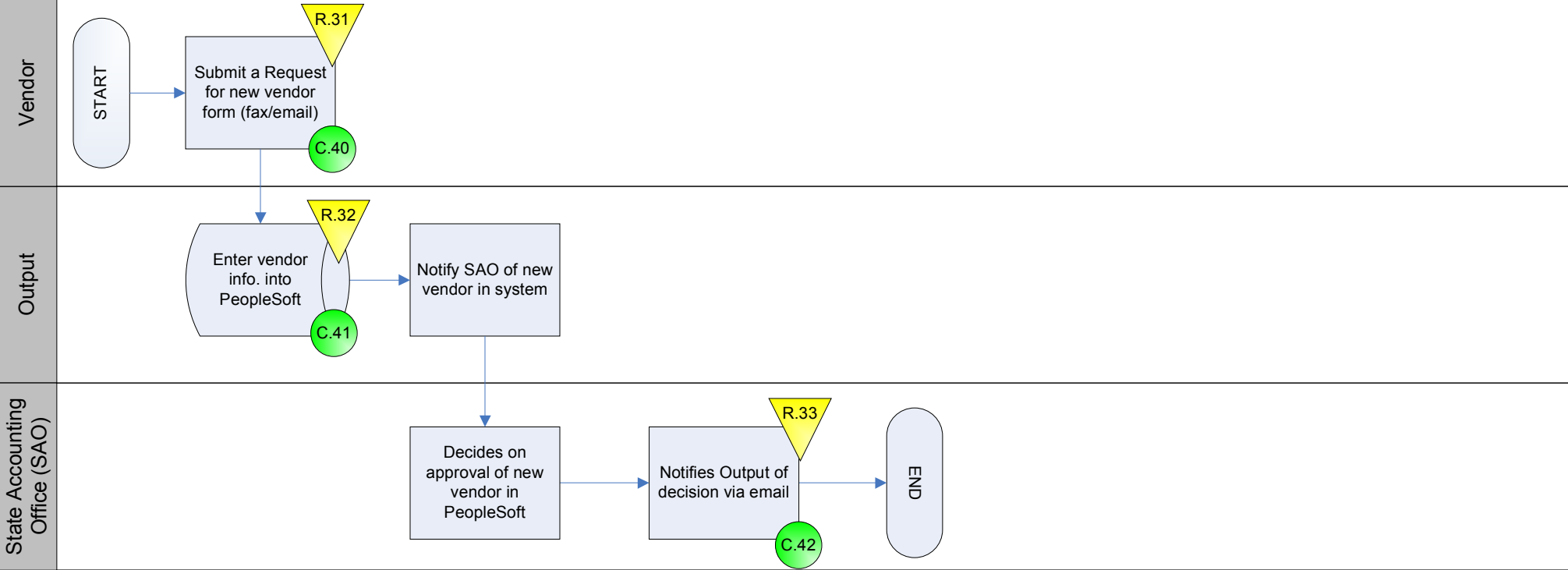
Process: Accounts Payable
Sub-process: Travel Risks and Controls

Risks	<p>R.15: Unnecessary/inappropriate travel taken by employees/ARRA staff, resulting in increased costs to the Agency/State</p> <p>R.16: Travel approved by unauthorized individual who is not on approver list or does not have authority to approve travel items, resulting in loss of funds</p> <p>R.17: Incorrect travel information is entered into PeopleSoft by Travel Para Professional, resulting in loss of State funds</p> <p>R.18: Incorrect account codes utilized resulting in misclassification of expenditures and potential budget overruns</p> <p>R.19: Travel Advance Validation form contains inaccurate information, resulting in delays in processing the funds and potentially an inappropriate disbursement of funds</p> <p>R.20: Reclaim Travel Statement not completed by the employee in a timely manner (within 10 days after travel return) causing a delay in the return of unused advance funds to the State, resulting in loss of State funds</p> <p>R.21: Employee fails to return unused funds, resulting in loss of funds to the State</p> <p>R.22: The employee completes the Request for airfare/Request for interstate travel forms incorrectly and submits to Travel section prior to travel, resulting in a loss of Program/Department funds</p> <p>R.23: The employee enters incorrect information in the Expense form resulting in budget overruns</p> <p>R.24: American Recovery and Reinvestment Act (ARRA) Staffing Agency employee completes ARRA Initiative form incorrectly, resulting in loss of program funds</p> <p>R.25: Invoices and Travel Statements/Initiative forms completed by the Contractors/nonemployees are inaccurate/incomplete resulting in loss of funds</p> <p>R.26: Expense Proration form is incorrectly filled in by preparer, resulting in incorrect disbursement of funds</p>
Controls	<p>C.21: Authorized approver reviews/approves Travel Statement/Travel Advance and supporting documents, noting travel is necessary and adheres to state-wide travel policies</p> <p>C.22: Travel Para Professional reviews the signature of the approver and verifies the approval and authorization limits on the shared drive</p> <p>C.23: Travel Para Professional matches details on the Travel Statement to voucher entry document to note the vendor details are correct</p> <p>C.24: Budget Unit reviews posting exceptions and issues an Action Report to Travel with resolutions that are input into PeopleSoft by the Travel Para Professional</p> <p>C.25: Travel Para Professional reviews the information on the Travel Advance Validation form and sends the form to the preparer if any errors exist</p> <p>C.26: Travel Para Professional enters an 'A' into PeopleSoft to note the entry is for an advance</p> <p>C.27: Travel Para Professional maintains an Advance folder with all the Advance Travel documentation and reviews this folder weekly to confirm the employee returned from travel and completed a Reclaim Travel Statement within the appropriate timeframe</p> <p>C.28: Travel Para Professional maintains a Reclaim folder, with all Advance Travel documentation and the Reclaim Travel Statement, which is reviewed monthly to validate the employee pays back what he/she owes to the State</p> <p>C.29: Travel Para Professional contacts employee (via email or phone) to remind the employee to refund the State unused funds by either check, money order, or authorize a payroll deduction of the funds. (If the money is not refunded, the Travel Supervisor will fill in a payroll deduction authorization form for the money owed)</p> <p>C.30: Travel Para Professional matches the information on the Request for Airfare form and Request for Interstate Travel form to the airline bill and itinerary prior to sending for payment</p> <p>C.31: Travel Para Professional matches the information on the expense form to the invoice (the employee attaches the invoice to the expense form) to validate accurate recording of information (If incorrect, the Travel Para Professional will contact the employee to correct this form)</p> <p>C.32: Staffing Agency reviews the ARRA Initiative form and signs the form indicating the Agency's approval prior to forwarding to Contracts Payable and the Program Unit for payment</p> <p>C.33: The statement and invoice/initiative form are sent to the Program Unit that employs the workers for review/approval prior to submitting to Contracts Payable for payment</p> <p>C.34: Travel Para Professional matches the information on the Expense Proration form to the invoice to confirm the accuracy of the third party payment</p>

Process Name: Accounts Payable
Sub Process: Output 1



Process Name: Accounts Payable
Sub Process: Output 2 – Vendor Setup



Process: Accounts Payable
Sub-process: Output Risks and Controls

Risks	<p>R.27: Voucher information does not match Due Proof report details, resulting in erroneous payments to vendor/employee</p> <p>R.28: Unnecessary funds requested by County, resulting in budget overspend</p> <p>R.29: Manual checks are collected by an unauthorized individual, resulting in misappropriation of State funds</p> <p>R.30: The ACH check machine creates an incorrect number of checks per request from Output resulting in non payment of Creditors, which could lead to loss of future business</p> <p>R.31: Vendor submits Request for new vendor Form incorrectly without appropriate documentation resulting in delay of services beneficial to the State</p> <p>R.32: Incorrect new vendor information is entered into PeopleSoft, resulting in delay of services and loss of State funds</p> <p>R.33: SAO new vendor approval or disapproval is not obtained in a timely fashion resulting in delay of State services</p>
Controls	<p>C.35: Output employee will review voucher packet (by handling code) to confirm the voucher information matches the Due Proof report (vendor number, voucher number, amount, invoices and payment codes). If the details do not match, the voucher packet is sent back to the related Accounts Payable section for correction.</p> <p>C.36: Revenue reviews the County's need for immediate funds and validates funds are available to pay the County. If funds are available, the Revenue Department instructs Output to enter County's bank details into PeopleSoft and Revenue will pay the County by a Wire Transfer.</p> <p>C.37: If Output issues a manual check for emergency funds, there must be supporting evidence (invoice and voucher created in PeopleSoft) as well as approval from the Director of OFS.</p> <p>C.38: Recipients of manual checks must produce valid identification and sign the log book. Identification is validated by the Output employees.</p> <p>C.39: Output employees review the ACH check for completeness, staple the check support to the voucher packet, and initial the voucher packet before sending the checks to the creditor. The voucher is then filed. For Grant payment, there is no support, so the checks are matched against the amounts on the Due Proof Report and the voucher PeopleSoft produces.</p> <p>C.40: Output reviews the form for accuracy/completeness (Internal vendors must include their employee ID and a void blank check must be attached to the form. External vendors must fill in their Federal Employer ID number and attach their W-9 tax form.)</p> <p>C.41: The State Accounting Office (SAO) reviews the information entered into PeopleSoft, by obtaining the W-9 form and confirming, with the IRS, the Federal Employer ID number is legitimate.</p> <p>C.42: SAO makes a decision on new vendor requests within 24 hours of receiving the request from Output.</p>